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North Yemen: Prospects for Political Stability

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An Intelligence Assessment

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NESA 85-10124
June 1985

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North Yemen: Prospects for Political Stability

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An Intelligence Assessment

This paper was prepared by [] with a
contribution from [] both of the Office
of Near Eastern and South Asian Analysis. It was
coordinated with the Directorate of Operations. []

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Comments and queries are welcome and may be
directed to the Chief, Persian Gulf Division, NESA,

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**North Yemen: Prospects
for Political Stability**

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Key Judgments*Information available
as of 1 May 1985
was used in this report.*

The regime of President Ali Abdallah Salih is firmly entrenched in power in North Yemen. The Salih government has a better chance than the likely alternatives to achieve stable political and economic development. In addition, many of the President's key advisers are friendly to the United States, and development of North Yemen's recently discovered oil reserves by US firms will bolster ties between Sanaa and Washington. Although Salih seeks more direct relations with the United States and probably would like to reduce the sizable Soviet presence in the country, he is likely to retain close relations with Moscow to facilitate his ability to play off the superpowers to Yemen's advantage.

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No group outside the military-security apparatus currently threatens the regime, although some tribal leaders, Islamic extremists, and pro-Soviet leftists oppose Salih:

- Tribal shaykhs have more authority than the government in much of the countryside, despite the regime's efforts to extend its control and services.
- Islamic extremists are fragmented and partly co-opted by the government, but they might mount assassination attempts against Salih or other key regime figures.
- Most North Yemeni military officers have been trained in the USSR, and some probably have been recruited by the Soviets. They could work to erode Salih's military support if he threatens Moscow's interests

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The discovery of promising amounts of oil has brightened the outlook for the country's primitive economy, but the find also is challenging Salih to prevent unrealistic expectations of higher living standards.

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The oil discovery will strain relations with Saudi Arabia and South Yemen, since both claim territory near the find. If Salih cannot convince Riyadh that Sanaa's financial independence does not threaten Saudi interests, he risks increased Saudi intervention in North Yemeni politics. North and South Yemeni forces clashed in early 1985 on the border near the oil discovery, and tensions in the area persist.

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Salih's past performance strongly suggests that he is an adaptable and skilled politician, and future oil revenues should help him strengthen his position. He is likely to deal effectively with his countrymen's increased economic expectations and deflect the most likely external challenges during the next few years.

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If Salih were assassinated by a lone gunman, the network of relatives and fellow tribesmen he has constructed over the past five years would manage the succession, and the complexion of the regime would remain much the same, at least in the short run. In the unlikely event that Salih were killed as a result of a conspiracy, however, the government's policies could change significantly. Few of Salih's potential successors under such circumstances would be as well disposed toward Washington, and most would be far more hostile. [REDACTED]

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North Yemen: Prospects for Political Stability

Since taking power in 1978, Ali Abdallah Salih has survived at least three assassination attempts, weathered a Libyan-sponsored coup attempt, stalemated South Yemen in a border war, and defeated a South Yemeni-backed insurgency led by the National Democratic Front (NDF). Salih has completed one five-year term as president and was elected to another, a striking development given the early fragility of his regime and the frequency with which Yemeni presidents were assassinated in the 1970s. During his six years in power, Salih has outmaneuvered other political actors, strengthened the country's internal security forces, and encouraged the exploration that produced an important oil discovery in July 1984.

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Salih Consolidates Power

The stability of the current regime in Sanaa is largely due to President Salih's political skills. We believe that Salih, who before 1978 was a relatively obscure Army officer, has gained popular recognition as the undisputed national leader of North Yemen. Just after taking power, Salih took the opportunity of a border war with South Yemen to prove himself as commander in chief by fending off the South Yemenis. The two major arms agreements that followed—with Moscow and Washington—elevated his standing as a leader capable of dealing with the superpowers to Yemen's advantage and gained him the loyalty of the military. Sanaa's defeat of the Aden-backed insurgency in 1983 reinforced his prestige as a capable leader, and his advocacy of Yemeni unity in subsequent meetings with South Yemen's President tapped a well of Yemeni nationalism and pride.

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Salih has proved to be an adroit manipulator of Yemen's domestic factions.

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In the absence of well-developed political institutions, he has relied on his family and tribe to provide a cadre of loyal lieutenants. With the creation in 1982 of the General People's Congress—an amalgam of legislature and political party that blends Arabism, Islamic fundamentalism, Yemeni nationalism, and Ba'thism—Salih has begun inching the country toward a one-party state.

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Salih has structured the North Yemeni Government apparatus so that there is considerable bureaucratic overlap and institutionalized competition within the government. Most ministries share responsibility with other offices; this makes it harder for potential political opponents to develop an independent power base. Salih has also replaced officials, blaming them for the government's failures because of infighting in the government. Salih reshuffles his Cabinet at will, drawing on a pool of technocrats who enter and depart the government at his whim. The frequent turnover often gives the impression of movement where there is none and decisive action where there is in fact government indecision.

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Regime Support

Salih's Inner Circle. Because the country has few developed political institutions and Salih heads what is essentially a praetorian regime, decisionmaking power is concentrated in his hands. An inner circle of relatives acts as policy advisers and watchdogs,

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advises Salih on sensitive political matters, helps him watch over the government and the military, and helps him make important foreign and domestic policy decisions.

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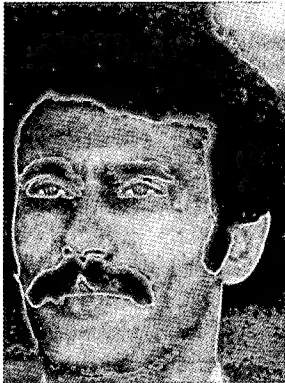
To guard against coups, Salih has given the commands of key military units to inner circle members. Military units led by group members have overlapping responsibilities and are positioned to defend against coups from other units. As a result, a military move against Salih is unlikely to succeed unless several units are in on the conspiracy.

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**Ali Abdallah Salih**

Col. Ali Abdallah Salih became President of North Yemen in July 1978 with Saudi backing. A career military officer with no formal education and little or no previous political experience, he has emerged as an independent actor in both Yemeni and regional politics. Ambitious and cunning, Salih has retained office through his control of the military and security services, his skill in factional politics, and the absence of a sufficiently able or powerful opponent. He has installed close relatives, fellow tribesmen, and trusted friends in key military and government posts and has ruthlessly disposed of perceived rivals.

Figure 1
North Yemen: Instability Indicators,
1978, 1982, and 1985

- Low concern
- Moderate concern
- Great concern

	July 1978	Jan 1982	Feb 1985
Tribal discontent	●	●	●
Ethnic/religious disagreement	●	●	●
Demonstrations and riots	●	●	●
General economic deterioration	●	●	●
Decreased access to foreign funds	●	●	●
Capital flight	●	●	●
Inflation	●	●	●
Organization capabilities of opposition	●	●	●
Opposition conspiracy/planning	●	●	●
Terrorism and sabotage	●	●	●
Insurgent armed attacks	●	●	●
External support for opposition	●	●	●
Discontent of military	●	●	●
Reports/rumors of coup plotting	●	●	●
Regime repression/brutality	●	●	●
Security capabilities	●	●	●
Prospects for major regime change or policy change during next six months ^a	●	●	● ^a
Prospects for major regime change or policy change during next six months to two years ^a		●	● ^a

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North Yemen: Political Stability

North Yemen has achieved an unprecedented degree of political stability under the Salih regime. Our concerns about the government's ability to overcome foreign-backed subversion diminished when Sanaa committed its best troops to fighting leftists in the southern portion of the country in mid-1982 and the insurgents withdrew into South Yemen in early 1983. In addition, we have seen the Salih regime make gradual but steady progress in increasing its legitimacy by its commitment to economic development, its modernization of the military, and its manipulation of the symbols of Yemeni nationalism.

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Although we know little about the ambitions of its members, we believe the inner circle is loyal to the President.

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challengers, however, are weakened by the fact that they depend on the same constituency that supports the President, according to US Embassy officials. We agree with US Embassy officials that to remove Salih from power a challenger in the inner circle would have to dismantle the system of political alliances that supports them both.

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The Military. The North Yemeni military is the most cohesive and powerful institution in the country and the Salih regime's principal instrument of political control. The US Embassy reports that eight of the 10 regional governors have military backgrounds. Military checkpoints, patrols, and garrisons are the central government's only effective presence in many areas outside the major cities. [REDACTED]

Salih has been careful to co-opt potential military rivals. For example, Lt. Col. Mujahid Abu Shawarib, who demonstrated his military skill in the 1979 border war with South Yemen and who has blood ties to powerful tribal leaders, was given the post of Deputy Prime Minister for Domestic Affairs—a high-sounding but largely powerless position. We share the view of the US Embassy that most military commanders have not built personal followings that might be used to subvert Salih's authority. The one possible exception, according to the Embassy, is Deputy Chief of Staff Lt. Col. Ali Muhammad Salah, who has obtained a reputation among his military peers and the general public as a powerful and capable officer.

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Even before Salih came to power, the military dominated politics in North Yemen. The military was at the forefront of the 1962 revolution that led to the establishment of the Yemen Arab Republic, and it ousted an ineffective civilian government in 1974. Salih's two predecessors—Ibrahim al-Hamdi and Ahmad al-Ghashmi—were also drawn from the Army. [REDACTED]

Other Security Forces. In North Yemeni politics, the **National Security Organization (NSO)** ranks second in importance to the military. Although the service probably has only 3,000 officers and employees, according to Embassy reports, it wields considerable power. Its mandate to arrest and question is largely unfettered, and the NSO monitors all government agencies and political activity in the country. [REDACTED]

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In deference to the military's influence and power, Salih has spurred its development. He has expanded the size of the armed forces and purchased more than \$1 billion in arms since 1979. Even though North Yemen's forces are less capable than those of many countries in the region, Sanaa's officers show greater cohesion and higher professional qualifications, according to US Embassy officials. [REDACTED]

The NSO helps maintain President Salih in power by suppressing domestic dissidence and identifying potential coup plotters. Although many of the NSO's officers are poorly educated and trained, we believe they do a creditable job in maintaining internal security. The NSO's responsibilities include:

- Tracking groups that might threaten the regime, such as Islamic fundamentalists, Ba'thists, and Communists.
- Identifying key dissident leaders and covert cells.
- Collecting foreign intelligence.
- Conducting operations against foreign targets and monitoring embassies in Sanaa. [REDACTED]

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Although an indispensable prop of the regime, the military is Salih's greatest potential challenge. Salih pays careful attention to the military by personally scrutinizing senior appointments, strengthening counterbalancing groups like the security services, and cultivating civilian power centers such as tribal shaykhs, according to US Embassy reporting. President Salih is his own defense minister and has appointed a weak chief of staff, in our view, to strengthen his authority and prevent potential rivals from using the offices to create power bases. US officials have reported that orders directing the movement of military units must be personally authorized by Salih. [REDACTED]

The elite paramilitary **Central Security Force (CSF)** of the Interior Ministry probably is the primary anticoup force in Sanaa. Consisting of about 5,000 men and possessing equipment ranging from riot-control gear to armored personnel carriers, according

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Popular Support. The Yemeni population is generally politically apathetic, and its support for the regime lacks enthusiasm. Salih has been careful not to antagonize important civilian groups, such as Sanaa's business community, by interfering with the traditional independence Yemenis have had from government control. []

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Salih's attempts to broaden civilian support for the regime have only been partly effective. His most prominent initiative, the convening in August 1982 of the 1,000-member General People's Congress, has not led to the development of a mass political party, a key goal of Salih, according to Embassy reports. Elections to rejuvenate the People's Constituent Assembly, the nominal legislative branch, have not taken place, and most members were appointed before Salih's accession to the presidency. Both organizations have little role in policymaking and serve to confirm decisions Salih has already made. []

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Internal Challenges

We concur with the US Embassy's assessment that no group outside the military-security apparatus presents a credible threat to the regime. Still, Salih has enjoyed his relatively lengthy term in office partly because he has not challenged longstanding Yemeni political traditions, which circumscribe the authority of the central government. The Embassy notes that the President commands the Army, but his authority beyond the barracks is limited. []

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Tribes. North Yemen's independent-minded tribes pose a potential challenge to the regime, even though Salih has skillfully cajoled and placated them. The Salih regime has extended government control beyond the three main cities—Sanaa, Taiz, and Hodeidah—and in insurgent areas, but the tribes hold sway in

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to Embassy reports, the CSF could be called upon to put down dissident demonstrations or quell a coup. The CSF is commanded by Deputy Interior Minister Muhammad Abdallah Salih, the President's full brother. It has participated in military campaigns against the dissident NDF and currently mans night-time checkpoints in Sanaa and performs other physical security functions. []

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most of the hinterland. Tribal shaykhs, for the most part, regard the central government as a challenge to their traditional authority. They, however, have been willing to cooperate with the regime when it has served their purposes, such as against leftist insurgents. []

President Salih uses generous financial subsidies and offers of government employment to co-opt tribal leaders, but he sometimes employs force against recalcitrants. The Office of Tribal Affairs serves principally as a conduit for government payments to the tribes, with tribal leaders receiving stipends ranging from \$1,400 to \$4,200 per month, according to US Embassy officials. Salih sometimes imprisons troublesome tribal figures, adopting the tribal practice of taking hostages to ensure the good behavior of rivals. []

Under the Salih regime, the once sharply drawn lines between the government and the tribes have been blurred, according to US officials in Sanaa. Although the tribes resist government penetration of their territory, many tribesmen hold important positions in Sanaa's civilian and military elite. []

Important tribal leaders such as Abdallah al-Ahmar and Deputy Prime Minister Mujahid Abu Shawarib continue to enjoy a relatively free hand in the northern tribal lands, according to US Embassy officials. Their political role on the national level has been reduced, however, because the continued buildup of the armed forces has shifted the balance of power decisively in favor of the central government. []

Though still heavily armed, tribesmen no longer pose a serious threat to government troops in a conventional military battle nor do they threaten to march on Sanaa and oust the government as they once did. Should the recent oil discovery in Marib Province provide the central government with new revenue, the strength of the tribes will be further eroded because Salih will have enhanced means both to offer tribesmen financial enticements for cooperation and to punish recalcitrants with military force. []

North Yemen's tribes are fragmented by sectarian and cultural differences. Shafei tribesmen in the south are Sunni Muslims; northern Zaydi tribesmen

are Shias. This religious split causes few serious problems for the regime and may even help it retain power, since social and cultural differences between the Zaydi and Shafei communities virtually preclude a concerted movement against the central government. Moreover, Shafeis tend to be more modernized than Zaydis and look more to the government than the tribe for social benefits. []

Endemic feuding further erodes the tribal threat. Armed conflict is frequent—even among different parts of the same tribe—particularly among the Zaydis of the north. Disputes over honor, water, and women can lead to revenge killings that sometimes last for generations, weakening the political cohesion of the tribes. []

Islamic Fundamentalists. Islamic fundamentalist groups, although not yet an overt threat to the regime, have shown unexpectedly strong—and growing—political influence over the last two years. []

[] The fundamentalist movement has broad support because North Yemenis sympathize with its glorification of Islam and many of its goals. Because most Yemenis are politically apathetic and xenophobic, few become active supporters. []

The Islamic fundamentalist movement in North Yemen, however, appears to be fragmented and partly co-opted by the government. North Yemen's National Charter—a document similar to a constitution—is plentifully supplied with Koranic quotations and paeans to Islam. []

Islamic fundamentalists limit the regime's room for political maneuver, especially concerning relations with Saudi Arabia and the Soviet Union, and force the government to defer to Islamic sensibilities when there are conflicts between the government's secular programs and Islam, in our view. The possibility of foreign sponsorship—particularly from Iran—and the covert character of some fundamentalist groups suggest that a small band of extremists might be capable of mounting assassination attempts against key regime figures. []

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Islamic Fundamentalist Groups in North Yemen**Muslim Brotherhood**

Egyptian origin. Follows founder Hasan al-Banna's principles. Includes as members Egyptian professionals and Sudanese. Largest group in North Yemen. Vocally anti-American but relatively moderate.

Takfir wa Hijra

Egyptian origin. Extremist spinoff of Muslim Brotherhood. Small size.

"Leftist" Muslim Brothers

Blend Islamic fundamentalism, social justice rhetoric, and Marxist approach to politics.

Hizb al Tahrir al Islami

Palestinian and Syrian support. Extremist. Covert oriented.

Wahhabis

Operate from network of religious institutes. Look to Saudi Shaykh Abd al-Aziz bin Baz for support. Have paramilitary organization.

Al Jihad

Remnants of group that assassinated Anwar Sadat. Small size.

Al Jabha al Islamiyya

Paramilitary organization. Formed in 1979 to fight insurgents. Recruits Zaydi (Shia) tribesmen. Less active since late 1983.

Khomeini Supporters

Small but active. Attract Yemeni Shias who see revolution in Iran as triumph over alien, pro-Western, and anti-Islamic regime.

The Muslim Brotherhood first demonstrated political strength in North Yemen during 1982. [] it won 25 of the 50 elected seats on the Permanent Committee of the General People's Congress, a quasi-legislative body charged with preliminary work on a new constitution. President Salih then appointed another 25 members to dilute the Brotherhood's strength. In municipal elections and contests

for positions on Rural Development Authorities, Brotherhood candidates took a majority of contested seats despite Salih's vigorous opposition. []

Leftists. Leftist influence reached its peak in 1981 and early 1982, when Salih appeared on the verge of making substantial concessions to the Aden-backed insurgents of the NDF. []

We believe that Salih now has intimidated or co-opted most of the country's ideologically amorphous leftists. Nevertheless, the propaganda of leftist opponents of the regime has played up Salih's unwillingness to confront the widely disliked Saudis—particularly over border issues—and his alleged "betrayal" of the 1962 revolution. These are themes that are particularly well received among residents in the area bordering leftist South Yemen. []

The Economic Challenge

Dissatisfaction with the government's handling of the economy could weaken the regime's support, but most North Yemenis are inured to economic hardship, and the recent oil discovery will benefit the country over the long run. []

North Yemen is the least developed country on the Arabian Peninsula:

- Despite efforts at development during the 1970s, much of the population lives in areas without roads and electricity and where government authority is minimal.
- Subsistence agriculture is restricted by a domestic labor shortage and harsh climate.
- Until the recent oil discovery, few commercially exploitable minerals were found. []

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North Yemen: Balance of Payments

Million US \$

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	1980	1981	1982	1983	1984 ^a	1985 ^b
Trade balance	-1,855	-1,714	-1,921	-1,761	-1,295	-1,395
Exports (f.o.b.)	13	11	5	10	5	5
Imports (c.i.f.)	1,868	1,725	1,926	1,771	1,300	1,400
Services balance	1,022	742	875	1,038	1,110	1,200
Of which:						
Remittance exports (gross)	1,254	943	1,175	1,228	1,300	1,350
Private transfers	2	15	23	26	30	25
Current account	-831	-957	1,023	-697	-155	-170
Government grants	146	332	439	160	150	150
Government loans (net)	NA	NA	185	197	200	225
Direct investment	34	40	27	8	10	15
Other	416	166	-104	-24	-355	-370
Errors and omissions	90	98	69	168	100	100
Change in reserves	-145	-321	-407	-188	-50	-50

^a Estimated.^b Projected.

The economy is heavily import dependent, with one of the worst trade imbalances in the world—exports typically cover less than 1 percent of imports. Remittances from expatriates, largely workers in Saudi Arabia, provide the bulk of the foreign exchange to cover the trade deficit. The labor shortage caused by the departure of about 1 million Yemeni workers, however, has inflated domestic wages, while remittance income has increased the demand for imports. Foreign aid, primarily from Saudi Arabia and other Gulf oil producers, is the other primary source of funds for covering the trade gap. Recently, however, the Gulf-wide recession has caused government transfers to decline from \$439 million in 1982 to an estimated \$150 million last year. As a result, foreign exchange reserves have been drawn down and now cover only three months of imports.

Sanaa implemented a series of austerity measures—lower government spending, higher taxes, and higher tariffs on consumer items—in mid-1983 to deal with its deteriorating financial situation. The current stabilization of Sanaa's foreign payments came at the cost of scrapping most of its second five-year development

plan and sharply reduced growth rates. Real GDP growth has averaged only 2 percent in the last two years—slightly less than population growth—compared with a 6-percent average annual rate between 1978 and 1982. Because many families hold “mattress money” as a buffer against hard times, to date there has been no observed increase in public dissatisfaction with government handling of the economy.

We judge that North Yemen's economy will not improve this year, for Sanaa probably will try to continue to limit imports and rebuild foreign exchange reserves. The estimated increase of \$8.2 million for investment and development spending in the 1985 budget, however, would make it difficult to reduce or maintain low import levels. We estimate remittances and foreign aid will remain at their 1984 levels.

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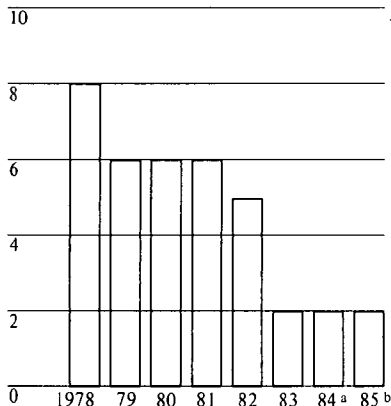
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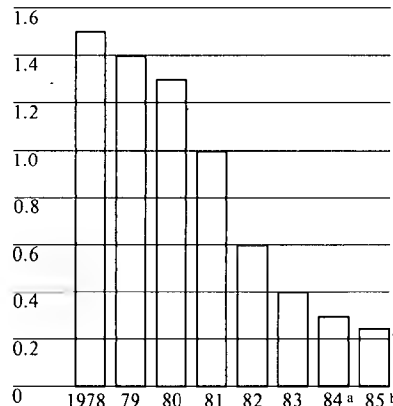
Figure 2
North Yemen: Economic Indicators, 1978-85

Note scale change

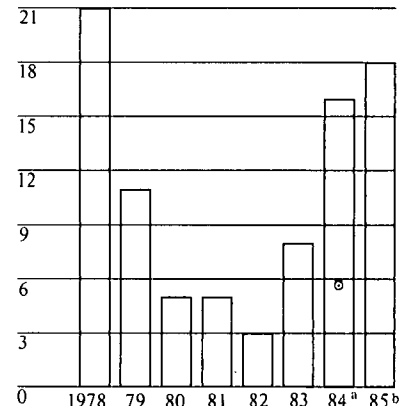
Real GDP Growth
 Percent



Foreign Exchange Reserves
 Billion US \$



Consumer Price Growth
 Percent

^a Estimated.^b Projected.

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The discovery of oil in the Marib region brightens North Yemen's otherwise gloomy economic picture. The potential benefits of the find are enormous, in both economic and political terms. Although foreign exchange earnings from the export of crude oil are probably four years off, Sanaa will reap some benefits sooner. Oil-related construction activity—production facilities, pipelines, roads, and port expansion—should get under way within a year, according to US Embassy sources. In addition, a recently awarded small-refinery project should be completed in early 1986. We judge that the discovery has also dramatically changed North Yemen's status in the eyes of foreign investors. [redacted]

Because export earnings are still several years away, the discovery of "promising amounts" of oil has presented Yemeni officials with the challenge of preventing a boom atmosphere. Some Yemeni expatriate workers are returning prematurely to North Yemen, seeking work generated by the oil discovery. According to the US Embassy, the Yemeni business

community has started to make grandiose plans, despite government efforts to dampen excessive expectations. Still, the news came at a propitious time for Sanaa because businessmen had been increasingly critical of government policies associated with curtailed growth. [redacted]

As expectations rise, Sanaa probably will attempt to secure its power base and broaden its influence by distributing the benefits of oil-fueled economic growth to a broad spectrum of the population. The government is likely to concentrate on building infrastructure and increasing health and education levels, endeavors that will help satisfy competing business, tribal, and religious interests. Most of the initial returns from oil production will be used to make payments on debts incurred on oil development projects, but Sanaa may not be able to delay projects that respond to popular expectations of higher living standards based on oil revenues. [redacted]

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External Challenges

Saudi Arabia.¹ Saudi fears of a more independent North Yemen were stimulated by Sanaa's oil discovery, and we believe they will intensify once North Yemen constructs oil production facilities. Riyadh's influence in Sanaa will not wither soon, however, since North Yemen will still need Saudi financial aid until oil revenues begin to flow. []

The Saudis traditionally have been less cautious and more assertive in dealing with North Yemen than they have been in their relations with any other state. Riyadh often treats North Yemen more like a province of Saudi Arabia than a sovereign state. []

Maintaining the support of Saudi Arabia—difficult during the best of times—is one of North Yemen's major concerns. Sanaa depends on the Saudis to provide budgetary assistance, underwrite Sanaa's trade deficit, and fund development projects. []

Other longstanding irritants trouble relations between the two countries, including the ill-defined border drawn by the Treaty of Taif after the Saudi-Yemeni

The Oil Discovery

North Yemen's first oil discovery was made in the Marib region by the Hunt Oil Company in June 1984. Since that time, Hunt has drilled six wells, with all but one producing oil. Initial estimates of oil production potential—which range from 100,000 b/d to 300,000 b/d—are premature, and Hunt expects to drill 50 more holes to delineate the first field. []

In April, Hunt reached an agreement with Sanaa for the construction of a 10,000-b/d refinery adjacent to the oil discovery. The refinery is expected to be operational in one year and will produce gasoline, fuel oil, and diesel fuel but will satisfy only about half of North Yemen's demand. Plans for the construction of the pipeline and the port facilities at Salif still are being developed. Although Hunt Oil is the only company currently drilling in North Yemen, British Petroleum recently was granted an oil-exploration concession, and four other concession applications are under consideration, exhausting all potential exploitable oil resources in the country. []

war of 1934. Sanaa deflected Riyadh's efforts to demarcate the border on Saudi terms during a border clash in early 1984, but the issue remains unresolved. []

South Yemen. South Yemen also harbors designs on North Yemeni territory.² In 1981, Aden openly supported the National Democratic Front insurgency in a bid to seize control of a sizable portion of southern North Yemen, if not to overthrow the Salih regime. North Yemen's forces drove the insurgents and volunteers from Aden back into South Yemen, but the threat of a renewed insurgency persists. []

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Forces from Sanaa and Aden clashed briefly in January 1985 in the poorly demarcated border area southeast of North Yemen's oil discovery. Shuttle talks between President Salih and President Hasani produced an agreement to disengage forces and establish a "neutral zone" between the two countries. As of May 1985, Aden and Sanaa continued to regard each other's military deployments across the border warily. Sanaa maintains about five brigades in the area and Aden three. []

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The Soviet Union. Salih's relations with Moscow are excellent, but the potential for Soviet subversion poses a latent challenge to the regime. Moscow has been involved in North Yemen since 1928, when it signed a Friendship Treaty with Sanaa—the first such accord with an Arab country. The two sides upgraded this agreement to a Treaty of Friendship and Cooperation in 1984. According to US officials, many Yemenis believe that Moscow's support prevented the Saudi-backed royalists from winning in the civil war that followed the republican revolution, and the Soviets have become well entrenched through their military assistance program. The most rapid expansion of Soviet influence came in 1979, when the number of Soviet advisers increased sharply as Salih received some \$700 million in Soviet arms. Currently there are 500 to 650 Soviet military advisers and technicians and 100 to 200 economic and other specialists in North Yemen. []

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[] We estimate that more than 1,000 Yemeni military personnel are training in the USSR. Moscow also offers some 450 academic scholarships a year to Yemenis to study in the Soviet Union; approximately 750 Yemenis study there now. []

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Virtually all of North Yemen's officer corps has been trained by the Soviets, and some North Yemeni officers probably have been recruited by Soviet intelligence. This may give the Soviets the opportunity to erode Salih's military support if he threatens Moscow's interests. []

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We agree with US officials in Sanaa who judge that penetrations of the NSO do not in themselves threaten the regime. []

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Outlook

Salih has managed adroitly a North Yemen that had grown accustomed to poverty and isolation. Most of the tactics he has used are appropriate for an environment in which only a few political actors have independent bases of support. The discovery of oil will require Salih to modify his political approach. He will have to deal, for example, with the newfound strength that oil almost certainly will give to merchant elites. []

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New prosperity—despite its potential pitfalls—probably will make Salih's position more secure. His past performance strongly suggests that he is adaptable and will find ways to accommodate his countrymen's increased demands for government services. These demands, in our view, will increase the regime's opportunities to increase its popularity by portraying itself as responsible for the fruits of prosperity. []

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The potential for a shift in the balance of power on the Arabian Peninsula resulting from a more prosperous North Yemen, however, will also affect the Salih regime's stability. Reassuring Riyadh that a more financially independent regime in Sanaa does not threaten Saudi interests will be critical, and Salih must, in our view, exploit the oil discovery without souring relations with Riyadh. If not, he risks giving the Saudis more reasons to step up their often disruptive meddling in North Yemeni politics. []

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25X1 Sanaa will bolster its marginal military superiority over South Yemen as oil revenue makes possible the purchase of more advanced weapon systems and larger inventories. As Sanaa's free market economy strengthens, moreover, North Yemen will become even more able to withstand Aden-backed subversion. We expect Salih to continue to pay lipservice to Yemeni unity, but act in recognition that Sanaa holds far better cards than Aden. [redacted]

25X1 Oil revenue will allow Salih to achieve greater balance in his relations with Moscow. We believe that he has been uncomfortable with his reliance on the USSR for military aid, but he has had no alternative, given the poor state of the Yemeni economy. We envision greater trade with the West as a result of the oil discovery and a relative weakening of Soviet influence in North Yemen. [redacted]

25X1 He, however, is unlikely to end the country's close ties with Moscow. He will still need to maintain his largely Soviet-equipped military. More important, Salih views the Soviet presence as an important counter to Saudi influence and a vehicle for playing off the superpowers to Yemen's advantage. [redacted]

25X1 **Salih and the Single Bullet.** Our relatively optimistic view of the Salih regime's ability to cope with future opportunities and challenges rests on the assumption that President Salih will not be assassinated. [redacted]

25X1 [redacted] Salih is a wary and difficult target. [redacted]

25X1 [redacted] Virtually all Yemeni men have access to weapons, and a disgruntled tribesman or soldier might hit Salih with a lucky shot. [redacted]

25X1 Highly cohesive groups of disaffected Yemenis—such as Islamic fundamentalists with foreign support—conceivably could organize a conspiracy to eliminate Salih. Unless the plot included members of Salih's family, however, we believe it would fare little better than an attempt by a lone gunman. Involvement by one of Salih's family members would significantly enhance a conspiracy's chances of success. [redacted]

If Salih should die sometime in the next few years, Ali Muhsin or Muhammad Abdallah probably would replace him. An assassination by a lone gunman would not be seriously disruptive. We judge that the network of relatives and fellow tribesmen he has constructed over the past five years would manage the succession, and the complexion of the regime would change little. A conspiracy involving some of his intimates, however, would throw the government's inner circle into disarray. We would expect substantial violence among competing groups, and a different type of regime—though still dominated by the military—might well emerge. The prospects for prolonged unrest would be greatest if foreign powers supported the competing groups or if Islamic extremists sought to dominate a new government. We believe that such developments would spark enough disaffection and turmoil to rekindle a serious insurgent challenge to Sanaa and could even lead to civil war. [redacted]

Implications for the United States

Of the alternatives, a continuation of the Salih regime has the best chance of maintaining the degree of stability and economic development that could lead to an increase in US influence and a reduction of Soviet influence. Many of the President's closest advisers are friendly to the United States, and he has often indicated that he favors a more direct relationship with Washington. For example, Salih has asked to meet with the US President, according to the US Ambassador. [redacted]

25X1 [redacted] Despite the substantial influence Moscow has in Sanaa's military elite, Salih has cultivated several pro-US advisers and sought to balance pro-Soviet voices in his councils. In our view, Salih's advisers would be replaced in the event of a coup, weakening those who advocate less dependence on Moscow. We judge that few of Salih's potential successors outside the inner circle would be as favorably disposed toward Washington, and we believe that most would be far more hostile. [redacted]

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